

PART-COMP

Worksheet

PARTNERSHIP BUSINESS PROFITS TAX**PERSONAL COMPENSATION DEDUCTION WORKSHEET**

FOR TAXABLE PERIOD	THROUGH
PARTNERSHIP/LLC NAME	TAX ID NUMBER

PARTNER/MEMBER (Natural Persons only)	Personal Compensation Deduction Attributed to Partner/Member	Indicate Ownership Interest GP, LP, or LLC Member	% Ownership Beg End Period Period	Approximate Number of Hours Devoted to Partnership/ LLC Affairs During Period	Approximate Number of Hours Devoted to Other Organizations During Period.	Did Partner/LLC Member Perform Services for Which Another Business Org Paid (or will pay) Salaries/Wages?
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Example:

Smith, Joe	\$ 150,000.00	GP	50%	50%	500	500	Yes <input type="checkbox"/> No <input type="checkbox"/>
							Yes <input type="checkbox"/> No <input type="checkbox"/>
							Yes <input type="checkbox"/> No <input type="checkbox"/>
							Yes <input type="checkbox"/> No <input type="checkbox"/>
							Yes <input type="checkbox"/> No <input type="checkbox"/>

Brought forward from add'l pages:

TOTAL: (Enter on Line 6, Form NH-1065)

Return on Non-Owner Employees and Business Assets

- 1 Number of employees 1
- 2 Return on non-owner employees 2 \$
(used in determining the personal compensation deduction as required by RSA 77-A:4, III (a))
- 3 Fair market value of all Partnership assets (tangible and intangible) 3 \$
- 4 Return on business assets 4 \$
(used in determining the personal compensation deduction, as required by RSA 77-A:4, III(a))

Use the worksheet below to calculate the maximum deduction allowable under RSA 77-A:4, III. Please note that, even if the maximum allowable deduction is greater than the value of fair and reasonable compensation for the personal services of the partner actually devoting time and effort in the operation of the business organization, only the lower amount can be taken as a deduction on the return.

COMPUTATION OF MAXIMUM COMPENSATION DEDUCTION

- 5 Ordinary income or loss from trade or business activities (Federal Form 1065, Schedule K-1) 5
- 6 Guaranteed payments to a partner or member (Federal Form 1065, Schedule K-1) 6
- 7 Income, expenses or loss from activities in the regular trade or business of the partnership or LLC taxed as a partnership for federal tax purposes that are specifically allocated to the individual partner or member ... 7
- 8 Net income from rental properties (Federal Form 4835 and Federal Form 8825) 8
- 9 Commission for services actually performed by partner or LLC member in brokering the sale of the business organization's assets. (Maximum commission not to exceed 15% of sales price shown on Federal Forms 4797 and 6252, and Federal Form 1065, Schedule D, reduced by any brokerage fee paid to other parties) 9
- 10 Maximum allowable compensation deduction (Sum of Lines 5 through 9) 10
